



# Information

# Meaning of Information

- Information can be defined as meaningfully interpreted data. If we give you a number 1-212-290-4700, it does not make any sense on its own.
- It is just a raw data. However if we say Tel: +1-212-290-4700, it starts making sense. It becomes a telephone number. If I gather some more data and record it meaningfully like –

# Types of Information

- Information used in business for decision-making is generally categorized into three types –
- **Strategic Information**
- **Tactical Information**
- **Operational Information**

# Strategic Information

Strategic information is concerned with long term policy decisions that defines the objectives of a business and checks how well these objectives are met.

For example, acquiring a new plant, a new product, diversification of business etc, comes under strategic information.

# Tactical Information

- Tactical information is concerned with the information needed for exercising control over business resources, like budgeting, quality control, service level, inventory level, productivity level etc.

# Operational Information

Operational information is concerned with plant/business level information and is used to ensure proper conduction of specific operational tasks as planned/intended.

Various operator specific, machine specific and shift specific jobs for quality control checks comes under this category.

# Information Classification by Application

- **Planning Information**
- **Control Information**
- **Knowledge Information**
- **Organizational Information**
- **Functional/Operational Information**
- **Database Information**

# Quality Information

- Good quality information – Quality is a value that would vary according to the users and uses of the information.



# Importance of information in business decision making

- A complete business information system, accomplishes the following functionalities –
  1. Collection and storage of data.
  2. Transform these data into business information useful for decision making.
  3. Provide controls to safeguard data.
  4. Automate and streamline reporting.

# 12 Important Decision Making

- 1. Selection and Continuous Operation of Business
- 2. Helpful in Determination of Objectives and Achieving Them
- 3. Maximum and Best Use of Available Resources
- 4. Execution of Managerial Functions
- 5. The Success of Overall Institution
- 6. Technical Changes and Complications

# 12 Important Decision Making

- 7. Solving the Problems
- 8. Measurement of Managers Success
- 9. Less Risk
- 10. Emphasis on Professionalising the Management
- 11. Determination of Business Policies
- 12. To Offset Changes and Uncertainty

# Case Study on MIS: Information System in Restaurant

- A waiter takes an order at a table, and then enters it online via one of the six terminals located in the restaurant dining room. The order is routed to a printer in the appropriate preparation area: the cold item printer if it is a *salad*, the hot-item printer if it is a hot *sandwich* or the bar printer if it is a *drink*. A customer's meal check-listing (bill) the items ordered and the respective prices are automatically generated. This ordering system eliminates the old three-carbon-copy guest check system as well as any problems caused by a waiter's handwriting.

# Conti...

- When the kitchen runs out of a food item, the cooks send out an 'out of stock' message, which will be displayed on the dining room terminals when waiters try to order that item. This gives the waiters faster feedback, enabling them to give better service to the customers. Other system features aid management in the planning and control of their restaurant business. The system provides up-to-the-minute information on the food items ordered and breaks out percentages showing sales of each item versus total sales. This helps management plan menus according to customers' tastes.

# Conti...

- The system also compares the weekly sales totals versus food costs, allowing planning for tighter cost controls. In addition, whenever an order is voided, the reasons for the void are keyed in. This may help later in management decisions, especially if the voids consistently related to food or service. Acceptance of the system by the users is exceptionally high since the waiters and waitresses were involved in the selection and design process. All potential users were asked to give their impressions and ideas about the various systems available before one was chosen.

# Questions:

1. In the light of the system, describe the decisions to be made in the area of strategic planning, managerial control and operational control? What information would you require to make such decisions?
2. What would make the system a more complete MIS rather than just doing transaction processing?
3. Explain the probable effects that making the system more formal would have on the customers and the management.